

The Boards of Australia's Kogi Iron Limited (ASX: KFE, 'Kogi' or 'the Company') and KCM Mining Limited (KCM) are pleased to provide this update to all stakeholders and interested parties on our advanced Agbaja Cast Steel Project, Nigeria.

"COVID-19: Update & Implications"

The Company is thankful to report no direct incidence of COVID-19 with the KCM team, their families and friends, associates, and the Agbaja Plateau Community.

The Company's COVID-19 risk mitigation measures include:

- Reinforced policies, protocols and practices.
- Monitoring Government information and directives.
- Use of Personal Protective Equipment (PPE) when involved with local Community and external parties.

Impacts of COVID-19 on current business activities:

- **Limited travel** for 'face to face' discussions with Government, contractors and consultants, potential equity investors and finance groups.
- **Skype & Zoom are useful, though only go so far.**
- **Trial iron ore mining** has progressed slowly in July due to heavy rains and travel restrictions.
- **Government business** has been restricted due to limited staffing levels in Abuja and Lokoja offices.

Limited interstate and international travel has slowly re-commenced in Nigeria during July 2020, though the Company continues to restrict its travel activities.

"Despite difficulties of COVID-19, KFE / KCM retain the interest and support of the local Community and Nigerian Government to progress Kogi's Feasibility Study on the Agbaja Cast Steel Project."

David Turvey – Managing Director

This new geophysical survey (resistivity) was interpreted to define the sub-surface aquifer and a new, replacement borehole was drilled to completion at ~100 metres. Ongoing site works include pump drawdown tests and water quality tests, prior to reconnecting and filling of header tanks. Pleasingly, these works were completed by the local contractor at no additional cost to the Company.

The local Community was ecstatic at the Company's commitment to provide clean drinking water and with our constructive relationship with the local contractor.



Drilling rig and support vehicles arrive on Irimi – Okpaka site.



Casing the water well and lowering the pump (LHS).
Newly drilled, cased and collared water well (RHS)

The AGBAJA CAST STEEL PROJECT

"A Project of National Significance"

Subject to COVID-19 guidelines & measures, the Company continued with reduced activities in Nigeria during late in June and July 2020.

Irimi – Okpaka Water Bore.

A new geophysical survey was conducted after the initial Irimi – Okpaka water borehole collapsed, resulting in significantly reduced water flows.

Small-Scale Trial Iron Ore Mining

The Company re-started excavation of a small-scale trial iron ore mining pit during July (~50m x 30m x 5m deep), using a local Lokoja-based company.

Trial iron ore mining progressed slowly due to periodic monsoonal rains, equipment breakdowns, and restricted travel of the KCM Team, contractors and visiting Government officials.

KFE Capital Summary Ordinary Shares: 774,462,336 Listed Options: 142,328,948 Performance Rights: 26m Share price: \$0.031 Market capitalisation: \$24m	Board of Directors and Management Mr Greg Boulton AM – <i>Non-Executive Chairman</i> Mr David Turvey – <i>Managing Director</i> Mr Peter Huljich – <i>Non-Executive Director</i> Mr Ray Ridge – <i>Chief Financial Officer and Company Secretary</i> Nr Alabi Samuel – <i>Country Manager, KCM Mining Limited, Nigeria.</i>	Contact 10 George Street, Stepney, SA, 5069 Tel : +61 8 9200 3456 Email: info@kogiiron.com W: www.kogiiron.com
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Dewatering sumps in preparation for re-start of trial mining



Blast hole charging (LHS) and post-blast laterite iron ore (top left RHS, orange-brown colour) and higher-grade oolitic iron ore, ~52-55% Fe (bottom RHS, dark brown)



Laterite, iron ore and overburden removal (LHS).

Mining higher-grade oolitic iron ore, est. 52-55% Fe (RHS)
*Note: low strip ratio with flat lying iron ore at surface

Rationale and Use of the Trial Iron Ore Mine

The trial iron ore mining and subsequent studies provide key inputs for the Feasibility Study.

- a) Geological mapping, sampling and assays to inform and support the iron ore reserve estimate.
- b) Materials characterisation of overburden and iron ore as basis for cost-effective design of ore beneficiation plant.

In addition, the Company plans to evaluate the Environmental, Social and Governance (ESG) impacts, benefits and local business opportunities from its mining and processing iron ore including:

- a) Water and Tailings Management
- b) Building & Road Materials
- c) Horticulture & Agronomy

David Turvey commented:

"The Company's commitment to professional mining 'best practice' is closely aligned with our Community Development Agreement (CDA).

"Evaluation of local business opportunities complement our current application for MMSD - World Bank MinDiver Project funding on the positive benefits of mining to local Communities."

Government of Nigeria - Ministry of Mines and Steel Development (MMSD)

The Company has maintained regular communication with the Ministry of Mines and Steel Development, Nigeria and relevant Government Departments.

Recent communications with MMSD outlined the Company's revised strategy of near-term focus on critical path value drivers for its Feasibility Study: (refer ASX announcement 30th June'20)

- a) Technical – steel refining tests for removal of phosphorus at commercial scale are required for process guarantees.
- b) Investment Policy – gas supply and related electricity generation; and market entry including import parity pricing.

Discussions with various Government ministries and departments have been on progressing near-term outcomes on these key inputs to the Agbaja Steel Project.

As part of these discussions, David Turvey – Managing Director, Kogi Iron was an invited panellist in a recent MMSD webinar on downstream processing in the Nigerian mining industry.

The Government is keen to showcase the Agbaja Steel Project as a key example of a 'pioneer downstream industry' to replace costly steel imports and stimulate economic growth.



An invitation to register for this webinar was sent to stakeholders and subscribers to the KFE website.

This webinar and subsequent monthly webinars are planned to be conducted by MMSD in the lead up to a virtual Nigeria Mining Week Conference, scheduled on 26-28 October 2020.

Weblinks or e-copies of these webinars will be posted on KFE's website once they are received from the organiser, Clarion Events.

MMSD – World Bank MinDiver Project (MinDiver)

<https://projects.worldbank.org/en/projects-operations/project-detail/P159761?lang=en>

Despite the COVID-19 related lockdown of Government departments in Nigeria, the Company has maintained periodic communication with the MMSD – World Bank MinDiver Project Team.

The Company's current application for MinDiver Project funding is aligned with ESG aspects of its Feasibility Study and Community Development Agreement including:

- Hydrology of the Agbaja Plateau.
- Mine Water Usage and Management.
- Recycling of Wastes (target zero waste).
- Agriculture.
- Local Employment and Business Opportunities.

Based on positive feedback, the Company plans to amend its application for MinDiver Project funding to better reflect Government priorities related to COVID-19 issues and economic uncertainty.

David Turvey commented:

"The Company's relationship with the MMSD - World Bank MinDiver Project is very important for both parties to demonstrate best practice in Environmental, Social and Governance".

"The Company is committed and well placed to provide tangible ESG and economic benefits to the Community

from sustainable development of a downstream mining industry."

Bankable Feasibility Study (BFS)

Scopes of work for key Feasibility Study consultants have been revised to concentrate on critical path decisions and key project drivers in the near-term and to preserve cash balance pending full funding.

- Price Waterhouse Coopers (PWC Nigeria)
 - Competitive gas supply contract to underpin private investment in gas-fired electricity.
 - "Ring-fenced" investment policy on gas supply, market entry and synergy with Ajaokuta Steel.
- Tenova Pyromet (RSA)
 - Staged steel billet production at 250Ktpy (base case) to increase to +750Ktpy.
 - Conduct 'synthetic' refining models at UHT Sweden to reduce phosphorus in intermediate iron and steel products and provide process guarantees
 - Meet criteria and hurdle requirements of Export Credit Agency (ECA) funding.
- Other Consultants (to be confirmed)
 - Lantosman – environmental management plans pending Tenova process inputs and waste streams.
 - FastMarkets – market entry strategy with import parity pricing, comparative tariffs and subsidies.
 - SRK & AGV Mining – ore reserve, mine plan and design of ore beneficiation plant and water use.
 - Infrastructure and Logistics for potential export of iron ore concentrates or intermediate iron products.

David Turvey commented:

"Our focus on critical path 'value drivers' of the Feasibility Study will fast track progress on the Agbaja Steel Project. These drivers are technical viability (phosphorus removal via conventional refining), cost of gas and power supply, and market entry policies."

Fundraising

The Company's revised strategy involves raising funds in stages in the least dilutive manner, with initial funding sufficient to commence early work and focus on 'critical path' key value drivers for its Feasibility Study (refer ASX announcement 30th June'20).

Opportunities to secure new investors will be considered by the Board and progressed over the next 4-5 months in conjunction with several non-exclusive corporate advisory mandates. Potential new investors include:

- a) High net worth individuals, family office funds and specialist resource funds.
- b) On-line investor platforms, including various international and several Australian based e-platforms.
- c) Financial institutions and Development Banks aligned with Export Credit Agency (ECA) funding.
- d) Corporate opportunities for cornerstone investment in significant equity positions.

David Turvey commented:

"I remain busy on skype-zoom calls to update potential new investors and current investors on the Kogi story and the investment opportunity of the Agbaja Steel Project."

Key Future Activities

- Staged fundraising to support the Feasibility Study.
- Progress relationships and formalise agreements with Nigeria's Ministry of Mines and Steel Development (MMSD) and the World Bank MinDiver Project.
- Focus work, decisions and outcomes on key project value drivers.
- Ongoing support of Community and ESG initiatives, especially relative to COVID-19 issues.

Chairman of Kogi Iron Limited, Greg Boulton commented:

"COVID-19 remains a significant issue and limitation on international business. The Board sees ongoing difficulties, though remains confident we have valid policy directions and committed people to progress and grow our business."

"We will update all stakeholders on progress by the Company and, in the near-term, strive to unlock and realise the true value of the Agbaja Cast Steel Project."

For and on behalf of the Board,
David Turvey
Managing Director

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